A STUDY OF MOVIE VIEWING PREFERENCES:

VCRs VS. THEATERS

By

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PREFACE

This writer would like to express her sincere appreciation to those whose assistance has helped make this work a reality. In particular my deepest gratitude to the following:

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CHAPTER I

INTRODUCTION

Hollywood is currently showing more concern over theater attendance, as well it should. Theater attendance is down in 1985 to less than 100 million from 113 million in 1983.[1] Several reasons could be given for this, but there is one of particular interest. Video cassette owners and renters are playing a large role in the drop in theater attendance. The viewing public appears to be shunning theaters in favor of staying at home and watching videotaped films.

In early 1984, the Supreme Court of the United States overturned a 1981 ruling by the Ninth Circuit Court which found that off-the-air copying of copyrighted materials constituted infringement and the manufacturers of VCR's could be held liable for contributory infringement.[2]

The Supreme Court's five-to-four decision found non-commercial home videotaping to constitute "fair use." Industry observers seem to agree with the majority decision that the practice of taping a show for later viewing is a convenience rather than a disguised form of commercial usage.[3]

Justice John Paul Stevens wrote that home taping falls within the traditional "fair use" exception of copyright restrictions. Studies, he said, demonstrated that most taping was done for "time-shifting" -- recording a program for viewing at a more convenient time.[4] Stevens wrote that this type of taping does not affect the value of a copyrighted work.

Needless to say, the members of the Motion Picture Association of America are not pleased with the decision. MPAA President, Jack Valenti, made it clear from the beginning that an across-the-board royalty on all VCR's and videotapes was the only possible compensation the MPAA would accept.[5] There is little hope of this happening, however. Immediately after the decision, key congressmen disavowed any hopes for passage of a licensing tax on the machines or blank tapes in the near future.[6]

Video retailers do have to pay a royalty fee to Hollywood when they purchase copyrighted tapes. However, under the first-sale doctrine a clause in the Copyright Act of 1976, the purchaser of a copyrighted work is permitted to do whatever he pleases with it. Hollywood has no right to further revenues from rental or sales of these tapes to individuals.[7]

Two years ago the VCR impact was quite different from what it is now. A quantum leap has taken place in VCR usage and the numbers are projected to continue to rise. The

Electronics Industries Association reports that current U.S. household penetration of VCR's is 30%.[8] Wilkfosky Gruen Associates estimates that by 1995 U. S. household penetration of VCR's will be about 85%.[9]

The rapid growth of the home video business has gotten the attention of the Hollywood film industry. Everytime a VCR owner curls up at home with a movie he is spending leisure time that might be devoted to something else -- like going out to a theater.[10]

Purpose of the Study

The purpose of the study is to discover why many people prefer to stay home and watch VCR movies rather than going to a theater.

This study focuses on people who rent videotapes and attempts to find what kind of people they are: marital status, income, education, etc. This survey is designed to determine why the VCR user prefers home viewing over theater viewing. Because the number of VCR users is so great this paper will also discuss what impact this group has on the Hollywood film industry.

This research focuses on the VCR movie renter. The survey seeks to determine what type of person rents tapes, how often and what preference of movies they have, if any. This knowledge could not only be helpful to the videotape industry, but also to the film industry. If the Hollywood industry knew there was a specific type of movie in greater demand for home viewing, then there may be a possible marketing strategy where both industries could benefit.

Limitations of the Study

The information sought by this researcher required a population sample of people who rent movies; therefore, a true random sample of the general population was not possible. The surveys were placed in a chain of videotape rental stores named "Video Adventures." There are nine stores in a total of three states. These stores are located in the same geographical region of the South. Three stores are located in Mississippi, five stores in Alabama and one in Florida. (There are plans for six more stores to be opened within the year throughout Louisiana). The management of these stores agreed to cooperate in this study. Thirty surveys were left at each store to be completed by customers. The customers were asked to complete only one survey.

Definition and Discussion of Terms

Terminology common to the video industry was used throughout this research. For this study, the following terms were operationally defined:

<u>VCR</u>

Video cassette recorder. Electronic machine that records and plays back audio and video images on a TV or monitor using magnetic recording tape.

VCP

Video cassette player. Looks and performs like a VCR, but it cannot record.

VHS and BETA

These are two different video systems for home use. Sony introduced its Beta system in 1975, Matsushita soon followed with the VHS recorder, which now dominates the American market. Although both systems use half-inch magnetic tape and produce basically the same results, some claim the Beta system gives a clearer image. The main difference is in the cassette size, the VHS being a little larger and having a longer recording time. They also differ in the way the machine threads the tape around the video head drums. The tape through a VHS system resembles the letter M, and the tape through a Beta system resembles the letter U. VHS currently represents about 75-80% of the video rental market in the U.S.

Video Disc Player

Picture and sound are stored on a laser disc (which looks much like a phonograph record) and is read optically by a laser beam eye. Discs are not suppose to wear out because nothing actually comes in contact with information stored on the disc. Currently recording on a disc is not possible by home units.

8mm

8mm is the newest home Video format. It is very similar to Beta, but the head drum is smaller. It also has a higher tape-to-head speed than VHS or Beta. Tapes are about the size of an audio tape (approximately 1/4").

ENDNOTES

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CHAPTER II

REVIEW OF THE RELATED LITERATURE

In August of 1984 at the Cable Television Administration and Marketing Society conference in New York, David Butterfield, a Cambridge, Massachusetts based consultant, cited figures showing that the average price of a VCR had dropped from $1,200.00 in 1978 to around $500.00 in 1984.[1] Today prices are less than $300.00.

On the technological side, machines can record more hours of programming over a longer time period, adding to the perceived value in the consumer's eyes.[2]

These marketing and technological factors help to explain the sales boom of a high-tech item found in many homes across the country.

RCA reported that in 1985 nearly 12 million videocassette recorders were sold, 55% more than in 1984. RCA also reported that Americans spent in excess of $7 billion for VCR's, video cameras and camcorders and approximately $2 million for video accessories and blank tapes in that same year.[3]

The Yankee Group reported, in February of 1986, that 31,300,000 households have a VCR; that is 36% of total households.[4]

The Wilkofsky Gruen Association released a study entitled, "Video 1995: Prerecorded Programming, VCR Hardware and the Home Entertainment Revolution," with predictions that 85% of all Americans will have at least one videocassette recorder or player in 1995, that prerecorded home videocassettes will become the nation's leading entertainment medium by 1995 and that Americans will rent more than 4 billion videocassettes that same year and spend a fourth of their total viewing time watching video-cassettes.[5]

Most literature reviewed for this study gave numbers and percentages on VCR owners or movie attendance. There were very few articles written prior to 1984 dealing with the impact of VCR's or their effect on the box office.

An annual study by Market Facts, Inc., an international market research company, said Americans are watching more movies than ever before - but they are staying home to do so. The report went on to say that movie viewing on VCR's is threatening to seriously reduce movie theater attendance.[6] The study entitled, "The Entertainment Monitor," surveyed 25,000 individuals age 10 and older. For the 10 to 19 year olds -- the most active group at the box office -- attendance fell 20% in 1985, while that age group tripled its viewing of rented VCR movies during the same period.[7]

Market Facts reported that among all age groups, "VCR owners" frequency of movie theater attendance has declined over the past three years.[8]

Another survey sponsored by Columbia Pictures/Coca-Cola indicated that movie fans are shunning theaters to watch films at home on their VCR's. This was a three-year survey done across the United States in late August through late September in 1983, 1984 and 1985.[9]

With teenagers being the largest box office age group, Teen-age Research Unlimited of the Chicago Suburb of Lake Forest, surveys this age group every six months and sells the data to agencies, retailers and other companies. Grady Hauser, vice president for marketing for Teen-age Research Unlimited, said movie tickets were in the top 10 items that 1,600 teenagers surveyed bought most often in 1985.[10]

Hauser said 48% of the nation's teenagers rented an average of two video tapes per month, for a total nationwide rental of 58 million tapes a month. The popularity of videos might explain a reported decline in traditional dating by teenagers.[11]

Better sound, new features and lower prices attracted hordes of buyers to VCR's through last year.[12] Chain Store Age and Leo J. Shapiro and Associates researched market trends and reported, in January of 1985, that potential customers for VCR's were becoming increasingly brand-conscious and remained relatively unconcerned about the battle between Beta and VHS.[13]

This research provided one rather interesting note --

regardless of brand, if the economy should sour, VCR customers may jump off the bandwagon. Nearly 75% of those questioned said they would delay buying a VCR if they needed to curb their family's spending.[14]

One answer to the financial dilemma could be a VCP. VHS-format videocassette players, or VCP's, are now available. The VCP, originally developed for the video rental market, looks and performs much like a VCR, except it cannot record.[15]

The VCP was aimed mainly at video software dealers who needed low-cost, easy-to-operate machines for rental to consumers who wanted tapes and something to play them on. Significantly lower priced than a VCR, the VCP could be an attractive alternative for consumers who aren't interested in recording or who would like an extra machine.[16]

Six years ago there were barely one million VCR's in American homes. Hollywood -- both a town and a state of mind, an industry and an art form -- must look ahead to the VCR and VCP influx.[17]

Time magazine reported that the box office take in the U.S. in 1984 was at an all time high (over $4 billion). In 1985 it dropped 7% to $3.75 billion and the number of tickets sold fell 11% to $1.06 billion.[18]

At ShoWest '84 in Las Vegas, Robert Klingensmith, Paramount's Senior Vice President of Video Distribution, detailed preliminary research findings on the interaction between film attendance and home video.[19]

In Klingensmith's presentation were two separate studies conducted by the UCLA School of Management. One thousand four hundred VCR owners were polled about their viewing habits -- one-third of those polled preferred to see moves in theaters before buying or renting the movie on tape and they generally attended features they chose to see within a month of theatrical release.[20]

Time also reported this year that surveys have found VCR owners are more avid moviegoers than before they owned a VCR. Renting cassettes opens them up to the universe of films and turns them into eager fans for the next new picture.[21]

John Sayles, a Hollywood film director, believes:

> It's better to view a film in a theater; that's what it's shot for. But to reach people, it's good the VCR is out there. I see first-run theaters as becoming the 'loss leader' for the VCR, like hard-cover books for the paperback industry.[22]

On November 15 & 16, 1983, on the campus of Loyola-Marymount University in Los Angeles a symposium titled "The New Hollywood: Motion Pictures and the New Video Technologies" was sponsored by Inscape, an institute incorporated by the State of New York. Inscape, with the cooperation of Loyola-Marymount University in Los Angeles and the International Center of Integrated Studies in New

York, produced a very informative and worthwhile symposium. The primary purpose of the conference was:

> . . . to probe the challenges to Hollywood in terms of new delivery systems, the constantly improving home video and new globel markets due to cassettes, pay home television and space-related movies for home viewing.[23]

There had been articles written about how almost all films will be seen on the home screen. However, the speakers at the symposium were unwilling to predict the demise of theaters.[24]

The conclusion from the professionals at the symposium was that regardless of cable, home VCR's, high definition television or other technological breakthroughs, the problem ultimately revolves around the simple matter of content quality.[25]

The earliest research found on VCRs and movie rentals was from 1983, "A study of the Effects In-Home Entertainment Alternatives Have on Film Attendance" by Wenouth Williams, Jr. and Mitchell E. Shapiro. They reported:

> The size of the film audience has generally declined over the past 83 years. DeFleur Ball-Rokeach documents the diffusion of film as a medium in terms of average weekly attendance per household from 1900 to 1977. Their data indicates that film attendance increased from 1900 to approximately 1945; audience attendance declined rapidly through 1970. From 1970 to 1977, film attendance was relatively stable, with a slight increase in the late 1970's.[26]

Williams and Shapiro originally collected their data for a study in politics and the mass media in 1982. This study is a secondary analysis of the original data. The results of the study supported the suggestion that in-home technology has and probably will continue to have a detrimental impact on film attendance in the future.[27]

Williams and Shapiro found the most frequent film goers were younger, without children at home, more likely to read magazines, more likely to find films useful for entertainment, and not cable television subscribers.[28]

The temporary interest in film attendance in the late 1970's seems to correspond to a decrease in the number of television sets per household at that time. DeFleur and Ball-Rokeach concluded from this data that technological innovations, such as television in the late 1950's, affects the use of the popular mass media.[29]

In 1983, Martin Polon suggested the most important competition for theatrical films was the home communication center. Jowett and Linton believed the real problem for the film industry was the sudden increase in technological innovations, such as home video recorders, which would further fragment the film audience.

> As these technologies approach the theatrical film in visual sophistication, such as high definition, large-screen television receivers, competition for the film audience will increase.[30]

A study by the Newspaper Advertising Bureau failed to support these predictions. The NAB found that the largest group in the film audience, the younger film attenders, were most likely to desire an in-home delivery system such as a video recorder, but they were still likely to view movies in theaters. The NAB concluded that this film audience will enjoy films both in the theater and at home.[31]

The Motion Picture Association of America, Inc. reported in its 1985 U.S. Economic Review that 1985's box office gross was down by 7% ($281.2 million) compared to 1984's record year.[32]

The MPAA also reported in 1985 there were 23,500,000 VCR households, an increase of 56.7% over 1984.[33] These figures indicate a possible cause and effect between the VCR and the box office.

VCR's have brought three major changes to motion picture production -- the distribution patterns are changing, the ways that films are financed is changing and the sorts of movies that get made is changing.[34]

Andre Blay of Embassy Home Entertainment says:

> The demographics of the videocassette are different from the theater. So are the components that go into marketing a film, that's why a film's success in theaters is not an accurate gauge of how it will do on video.[35]

Producers realize there is a difference and are experimenting with anything to see what works. Evidently, people have been finding out what seems to work a little better on home video, and what doesn't.[36]

Hollywood producer Roger Corman sees video as both more hospitable than most theaters today to the classy sort of art films he has recently become involved in, as well as to the drive-in-movie fare he has long been famous for. Corman says, "Most of the drive-ins have been turned into housing developments full of VCRs."[37]

A demographic researcher for one of the television networks (who did not wish to be identified), said:

> The video audience tends to be a little older than the theater audience, so their taste is more like the TV audience. On the other hand, they're more willing to experiment than most movie-goers -- because the price is lower. . . we think we've confirmed that independent producers of a very mass kind of product -- horror films and the like are reaping the benefits of home video, and it's at the expense of network programming.[38]

The smaller movie producers are becoming increasingly potential extra revenue due to video rentals. Menachem Golan of Canon Films notes the industry has always been satisfied to pre-sell films, to reduce risk rather than aim at the jackpot everytime. "Before you pre-sold to theater chains, mostly in Europe. Now you can pre-sell to videocassette, in the States."[39]

Golan believes that industry-wide pre-selling means a more stable industry, one that can concentrate more on making movies and less on hitting the jackpot.[40]

Film and TV editor Mark Miller also sees the VCR changing the content of feature films. Miller says:

> It seems to take more and more guts for directors to frame things for the big screen. . . it's more closeups, less long shots.[41]

As TV receivers continue to be priced more as commodities and the average screen size gets bigger, the long shot may yet reassert itself in motion pictures.[42]

Summary and Conclusions

In the research reviewed for this study, no reasons were given as to why a viewer preferred home viewing to theater viewing. Since the VCR boom is a recent phenomenon, there were very few articles prior to 1984 concerning the effect of home VCR's on the theatre box office. This writer did discover, however, studies by Market Facts, Inc., and Columbia Pictures/Coca-Cola that indicated theater attendance was down "possibly because of VCR's."[43]

Teen-age Research Unlimited reported movie tickets were in the top ten items purchased by teens. Time magazine reported that box office sales are down but that VCR owners are actually more avid moviegoers than before they owned a VCR.

The symposium at Loyola-Marymount in 1983 con-cluded: "VCR's are going to make a difference -- that the real influence on theater attendance is going to be a matter of content quality."[44] The NAB study concluded that people would always attend theaters, regardless of their in-home entertainment alternatives.[45]

Regardless of the speculations, no research could be found that questioned why these viewers would prefer one system over the other. A study such as this one, therefore, could be quite useful and interesting.

ENDNOTES

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[4] Newsweek (February 17, 1986), p.5.

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Hammel, p.171.

45
Williams and Shapiro, p.94.

CHAPTER III

METHODOLOGY

This study was designed to determine why VCR viewers prefer home viewing to theater viewing. Also, a preference for VCR viewing or theater attendance would be analyzed by marital status, age, income and education. The review of literature indicated that a study to determine why viewers had such a preference had not been conducted previously. Such a study would, therefore, prove to be very useful to home video distributors and rental outlets, as well as to the Hollywood film industry. In order to accomplish this a survey questionnaire was designed and placed in a videotape rental chain called "Video Adventures" to be completed by the customers.

This researcher wanted to see if age, income, education and marital status played a role in how subjects rented movies and how often they attended a movie theater.

This study did not have a classical independent variable (presumed cause)/dependent variable (presumed effect) relationship. This investigation into public attitudes can be classified as a field study. Kerlinger explains a field study as follows:

> . . .the investigator in a field study first looks at a social or institutional situation and then studies the relations among the attitudes, values and perceptions, and behaviors of individuals and groups in the situation.[1]

Methods of Measurement

Research concerned with the phenomenon, attitude, becomes difficult. Cook and Selltiz wrote that:

> An attitude cannot be measured directly, but must always be inferred from behavior -- whether the behavior be language in which the individual reports his feelings about the attitude-object, performance of a task involving material related to the objects or active toward a representative of the object-class.[2]

Cook and Selltiz outlined the most frequently used method of measuring attitudes as follows:

> By far the most frequently used method of securing material from which to make inferences about an attitude is to ask an acceptance or rejection of standardized items -- his beliefs about the attitudinal object, how he feels about it, how he behaves or would behave toward it, how he believes it should be treated.[3]

This researcher chose to examine self-reported feelings as the acceptable basis of inference about attitudes. Measurement is obtained by the assignment of numbers to observations of agreement. To measure the subjects' attitudes toward use of VCR vs. movie theater attendance, this research used a five-point Likert scale. (See Appendix A).

The Population

Thirty surveys each were sent to nine stores for a total of 270 surveys. These stores are located in the same geographical region of the South. As discussed in Chapter I, three stores are located in Mississippi, five stores in Alabama and one store in Florida. The surveys were placed on the counter of each store on July 22, 1986 and returned to the main office on August 4, 1986. Customers were asked to only complete one questionnaire.

The Questionnaire

A preliminary questionnaire was developed before the review of literature was completed. A pilot study was conducted in Stillwater, Oklahoma to determine any potential problems with the survey instrument.

The pilot study was initiated in June, 1986. Twenty questionnaires were completed. The returns and accompanying comments indicated that it was a valid instrument, but some changes did need to be made. From the initial open-ended questions on the pilot study, five Likert scale questions were developed in an attempt to determine the "why" of the viewer's preference of either VCR or theater viewing of major motion pictures.

The open-ended questions asked: major advantages and major disadvantages of a movie theater and major advantages and major disadvantages of VCR movies. Survey items were derived from the search of the literature as well as needs of the store management.

The final questionnaire consisted of one standard size (8 1/2 x 11) sheet, printed on both sides. The front side of the questionnaire consisted of 16 short answer type questions, all but two requiring only a check mark in the appropriate box. The back side of the questionnaire included the Likert scale questions plus a short section of questions intended for the sole information of the store. These last questions were not reported out in this research study. They were given to the store managers in return for their cooperation and participation in the study.

The Procedure

After the final survey questionnaire had been on the store counters for a period of two weeks, the store-chain manager indicated that the questionnaires "were completed." The three stores in Mississippi returned 78 questionnaires (86%) and the Florida store returned 29 questionnaires (96%), but the five stores in Alabama returned only 76 questionnaires (51%).

A second time period was given to the Alabama stores. This time 27 more surveys were returned. By the end of August a total of 210 valid survey instruments had been returned. At this time the chain manager indicated there would be more questionnaires in the mail, but none arrived.

The methodology was based on a collection of known and accepted procedures. The research technique utilized in this study was such that other individuals could replicate this study within different communities or other geographic regions of the country.

ENDNOTES

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[2] Stuart W. Cook, Claire Selltiz, "A Multiple-Indicator Approach to Attitude Measurement," Reprinted in Gene Summers' Attitude Measurement (Chicago: Rand McNally, 1971) p.23.

[3] Ibid., p.27.

CHAPTER IV

FINDINGS

The purpose of this study was to determine why VCR viewers prefer home viewing to theater viewing. A preference for VCR viewing or theater attendance is also analyzed by marital status, age, income and education.

The subjects of the study were customers of Video Adventures located in Alabama, Mississippi and Florida. Of the 270 surveys sent out the first time 183 were returned. After the second mailing a total of 210 useable surveys were obtained, yielding a return rate of better than 68%, even though not all respondents answered all of the questions.

This researcher tallied all questionnaires by hand. The frequency of a response to each question is called a frequency distribution. Percentages of the total respondents completing a certain item of the questionnaire are also included.

The respondents were categorized into demographic groupings to facilitate the analyses and interpretations. Hereafter, the demographic groupings will be referred to as: Status -- Single or Married; Income -- Under $25,000 or $25,000+; Age -- Under 26 or 26+; and Education -- High

School, Some College, and College Degree+. These demographic groupings are shown in Table 1.

TABLE I

NUMBER AND PERCENTAGE OF RESPONDENTS BY DEMOGRAPHIC CATEGORIES

Category	Number	Percentage
Status:		
Single	95	47
Married	108	53
Total	203	100
Age:		
Under 26	72	36
26 and over	128	64
Total	200	100
Income:		
Under $25,000	99	51
$25,000 and over	94	49
Total	193	100
Education:		
High School	72	35
Some College	71	35
College Degree+	61	30
Total	204	100

Note: Not all respondents provided complete information.

attitude score data

Each of the 210 surveys were scored by a summated ratings method with values of 1 to 5 assigned to each of the five different scale positions under the attitude statements. The "1" value was assigned to the statements more favorable to theater attendance and the "5" value was assigned to the statements more favorable to VCR viewing. By this scoring method, a mean attitude score of 4 for a statement for all respondents would indicate a favorable attitude toward the VCR.

The mean attitude of all respondents was 3.37 on the attitude scale. This would seem to indicate that the respondents favored VCR viewing over the theater, but did not hold intense feelings toward their feelings for viewing movies.

The mean attitudes of all respondents toward each of the five VCR vs. theater statements are shown in Table II. The statements are rank ordered by the highest favorable mean attitude rating given to each item by all respondents.

Question 1. The first question asked if the respondent currently owned a VCR or video tape player. Table III indicates this information. Yes was marked 181 times, indicating that 90% of the respondents did own a VCR or tape player. Twenty-one, or 10% did not. The question continued to ask: If yes, how many: VHS format -- 149, Beta -- 64, and Video Disc -- 2. This is a total of 215 which indicates that some respondents own more than one format or more than one machine.

TABLE II

MEAN ATTITUDE SCORES OF ALL RESPONDENTS ON VCR VS. THEATER MOVIE VIEWING STATEMENTS

Rank	VCR vs. Theater Statement	Mean Attitude
One	The cost of attending a movie theater influences me to wait until a VCR release.	3.67
Two	When I go to a movie theater the behavior of people around me usually annoys me.	3.59
Three	It is important for me to watch parts of a movie over.	3.46
Four	It is important for me to see movies when they are first released.	3.14
Five	I prefer the effects of a big screen over the quality of a VCR.	3.01

TABLE III

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 1: DO YOU CURRENTLY OWN A VCR OR VIDEO TAPE PLAYER?

Response	Number	Percentage
Yes	181	90
No	21	10
Total	202	100

If yes, how many?

VHS -- 149 (69%) Beta -- 64 (30%) Video Disc -- 2 (1%)

Question 2. The second question asked if the respondent rented a VCR player. Forty, or 19% responded Yes; 170 or 18% indicated No as a response. Table IV indicates this information. This also indicates that some respondents who own a VCR apparently also rent a VCR. The question continued to ask how often the respondent rented a VCR. Once a month received the most responses with a total of 26, or 54%.

Question 3. Question number 3 asked the respondent if they have ever purchased any professionally recorded movies. In Table V, eighty-five, or 42.5% responded yes and 115, or 57.5% responded no.

TABLE IV

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 2: DO YOU RENT A VCR OR PLAYER?

Response	Number	Percentage
Yes	40	19
No	170	81
Total	210	100
If yes, how often:		
Less than one a month	11	23
Once a month	26	54
Twice a month	5	11
More than twice a month	6	12
Total	48	100

TABLE V

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 3: HAVE YOU EVER PURCHASED ANY PROFESSIONALLY RECORDED MOVIES?

Response	Number	Percentage
Yes	85	42.5
No	115	57.5
Total	200	100.0

Question 4. Question 4 asked what is the primary use of the respondent's VCR. Table VI indicates that watching rented moves received the largest number of responses, 184 or 80%. Time-shifting TV shows was second with 43 responses, or 19% and Instructional Aid tapes received only two responses for 1%.

TABLE VI

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 4: WHAT IS THE PRIMARY USE OF YOUR VCR?

Response	Number	Percentage
Watch rented movies	184	80
Time-Shifting TV Shows	43	19
Instructional Aid Tapes	4	1
Total	231	100

Note: Some respondents checked more than one box.

Question 5: To determine if the demographics had any effect on how often respondents rented movies, question five was developed. Sixty-seven, or 33.5% of the respondents rent more than three tapes per week. Table VII indicates this information. Seventy-nine, or 39.5% rent two to three tapes a week. The rest of the responses: one a week, two a month, one a month and less than one a month were combined to one a week or less due to lack of a large number of responses for any one of the categories. A total of 54, or 27% of the respondents marked the combined categories of one a week or less.

TABLE VII

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 5: HOW OFTEN DO YOU RENT MOVIES?

Responses	Number	Percentage
More than 3 a week	67	33.5
2 to 3 a week	79	39.5
1 a week or less	54	27.0
Total	200	100.0

<u>Question 6</u>: To provide the other half of the research information, respondents were asked how often they went out to a movie theater. Table VIII indicates thirty-seven or 20% attended a theater more than once a month. Thirty-three, or 18% attended a theater once a month. The majority of respondents, 94 or 50% attended a theater 2-5 times a year. Twenty-two, or 12% attended once every two months.

This question had the least number of responses on the questionnaires. This researcher overlooked the possibility that some respondents never attend a movie theater and believes that to be part of the reason for such a low response rate. This information did not come out during the pilot study. Some of the respondents indicated on their own that they did not ever attend a theater.

TABLE VIII

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 6: HOW OFTEN DO YOU GO TO A MOVIE THEATER?

Response	Number	Percentage
More than once a month	37	20
Once a month	33	18
2-5 times a year	94	50
Once every 2 months	22	12
Total	186	100

Question 7: Respondents were asked to mark their three favorite movie formats. Table IX indicates the movie formats in order of most responses: Comedy 126, or 22%; Adventure 87, or 15%; Horror 72, or 11%; Sci-fi 64, or 11%; Adult 63, or 11%; Drama and Western tied at 46 each, or 8%

each; Mystery 30, or 5%; Children's 23, or 4%; Musical 15, or 2%; Classic 12, or 2% and one response for other, (Black Entertainment was specified).

TABLE IX

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 7: PLEASE MARK YOUR THREE FAVORITE MOVIE FORMATS

Response	Number	Percentage
Comedy	126	22
Adventure	87	15
Horror	12	12
Sci-fi	64	11
Adult	63	11
Drama	46	8
Western	46	8
Mystery	30	5
Children's	23	4
Musical	15	2
Classic	12	2
Other	1	-
Total	585	100

<u>Question 8</u>: This question asked the respondent if they viewed movies in a theater before renting them. TABLE X indicates 28, or 14% always did; the majority, 100 respondents or 49% sometimes did, and 75, or 37% never viewed movies in a theater before renting them.

TABLE X

NUMBER AND PERCENTAGE OF RESPONSES TO FILL-IN-THE-BLANK: DO YOU ALWAYS, SOMETIMES OR NEVER VIEW THE MOVIES IN A THEATER BEFORE RENTING THEM

Response	Number	Percentage
Always	28	14
Sometimes	100	49
Never	37	37
Total	165	100

Question 9: Table XI indicates how much TV respondents watched, including the VCR, during a normal week. Fifty-seven or 29% watched over 30 hours a week; 47, or 24% watched 20-29 hours per week; 55, or 28% watched 10-19 hours and 37, or 19% watch under 10 hours per week.

TABLE XI

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 9: HOW MUCH TV DO YOU WATCH DURING A NORMAL WEEK? (INCLUDE VCR)

Response	Number	Percentage
Over 30 hours	57	29
20-29 hours	47	24
10-19 hours	55	28
Under 10 hours	37	19
Total	196	100

Question 10: This question dealt with pay television services that could possibly compete with VCR and Theater services. Table XII indicates this information. Respondents were asked to mark which services they subscribed to. Ninety-three, or 52% subscribed to cable while 86, or 48% didn't subscribe to anything. Fifty-three or 35% subscribed to HBO; Cinemax 33, or 22%; Showtime 26, or 18%; The Movie Channel 13, or 9%; Playboy 4, or 1%; and the Disney Channel 22, or 15%.

TABLE XII

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 10: I SUBSCRIBE TO:

Response	Number	Percentage
Cable	93	52
No Pay Premium Services	86	48
Total	179	100
HBO	53	35
Cinemax	33	22
Showtime	26	18
The Movie Channel	13	9
Playboy	4	1
Disney	22	15
Total	151	100

Question 11: This question asked the respondent if they owned a satellite dish. Table XIII indicates 22 respondents or 11% own a satellite dish and 179, or 89% do not.

TABLE XIII

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 11: DO YOU OWN A SATELLITE DISH?

Response	Number	Percentage
Yes	22	11
No	179	89
Totals	201	100

Question 12. This question asked the respondents if they have a collection of movie tapes. Table XIV indicates this information. There is nearly an even split here with 105 or 52% responding Yes and 98 or 48% responding No. This question continues with: If yes, how many? Out of 100 responses 38 marked over 20; 17 marked 13-19; and the majority of 45 have less than 13 tapes.

TABLE XIV

NUMBER AND PERCENTAGE OF RESPONSES TO QUESTION 12: DO YOU HAVE A COLLECTION OF MOVIE TAPES?

Response	Number	Percentage
Yes	105	52
No	98	48
Total	203	100
If so, how many:		
Over 20	38	38
13-19	17	17
Less than 13	45	45
Total	100	100

Question 13 - 17. These are the demographic variables which have already been reported in Table I.

Each demographic, marital status, age, income and education was analyzed with question 5 -- "How often do you rent movies?," and question 6 -- "How often do you go to a movie theater?"

The following tables indicate the frequency of responses given by each demographic for each response. Inside each cell the Chi Square is reported for that cell.

TABLE XV

TAPES RENTED PER WEEK BY MARITAL STATUS

	More than 3		2-3		1 or less	
Single	29	.15	34	.82	38	2.05
Married	33	.15	45	.83	22	2.06

$X^2 = 6.06$

The observed Chi Square of 6.06 is significant at the 95% level of confidence. Overall, there is a significant but very weak relationship between marital status and frequency of tape rental.

The greatest difference between status groups occurs at the one a week or less level. This is the only level of tape rental for single or married persons that is significant at the 95% level of confidence. Single people were more apt to rent fewer tapes per week than married people were.

TABLE XVI

THEATER ATTENDANCE BY MARITAL STATUS

	More 1 mo.		1 month		2-5 year		One Every 2 mos.	
Single	28	3.3	20	.22	39	1.95	12	.02
Married	12	3,26	16	.24	59	1.93	13	.02

$X^2 = 10.97$

The Chi Square concerning marital status and frequen-cy of theater attendance was 10.97. This exceeds the critical Chi Square of 7.82 at the 95% level of confidence. Overall, there is a definite but weak relationship between marital status and frequency of theater attendance.

Looking at each level - there is no significant difference between single and married people who attend the theater once a month, two to five times a year or once every two months. The only difference between single and married people occurs at the more than once a month level. Single people were more apt to attend a theater more often than married people.

TABLE XVII

TAPE RENTAL PER WEEK BY AGE

	More than 3	2 - 3	One or Less
Under 26	25 $\boxed{.004}$	22 $\boxed{1.7}$	27 $\boxed{2.2}$
26 & over	43 $\boxed{.002}$	58 $\boxed{.97}$	29 $\boxed{1.25}$

$X^2 = 6.13$

Overall there is a significant but very weak relationship between age and frequency of tape rental. The biggest difference between age groups occurs at the two to three tapes per week level, with a slightly less difference at the more than three per week level. There is no difference at the one a week or less leval. Generally, persons 26 and over are more apt to rent more tapes per week than persons under 26.

The difference between under 26 and 26 and over persons who rented more than three tapes per week is significant at the 95% level of confidence. People 26 and over were more apt to rent three or more tapes per week than were people under 26.

TABLE XVIII

THEATER ATTENDANCE BY AGE

	More 1 mo.	1 month	2-5 year	Every 2 months
Under 26	23 $\boxed{4.54}$	15 $\boxed{.07}$	23 $\boxed{4.72}$	13 $\boxed{1.67}$
26 & Over	16 $\boxed{2.78}$	22 $\boxed{.04}$	72 $\boxed{2.89}$	11 $\boxed{1.02}$

$X^2 = 17.73$

Overall, there is a significant but weak relationship between age and frequency of theater attendance at the 95% level of confidence.

The only difference between age groups occurs at the two to five times a year level. There is no difference at the more than once a month, once a month or once every two months levels.

Generally, persons 26 and over are apt to attend a movie theater fewer times a year than persons under 26.

TABLE XIX

TAPE RENTAL PER WEEK BY INCOME

	More than 3	2-3	One or Less
Under $25,000	27 [1.63]	39 [.07]	38 [2.32]
$25,000+	40 [1.73]	40 [.01]	18 [3.09]

$X^2 = 8.85$

Overall there is a significant but very weak relationship between income and frequency of tape rental at the 95% level of confidence.

The biggest difference between income groups occurs at the one tape or less a week level, with less difference at the three plus tapes a week level. Persons whose combined family income is under $25,000 rent fewer tapes than those whose income is $25,000+. People whose income is $25,000+ rent more tapes per week than those under $25,000.

TABLE XX

THEATER ATTENDANCE BY INCOME

	More 1 mo.	1 mo.	2-5 yr.	Every 2 mos.
Under $25,000	22 [.35]	20 [.25]	41 [.76]	13 [.14]
$25,000+	16 [.36]	15 [.27]	51 [.79]	10 [.14]

$X^2 = 3.06$

On frequency of theater attendance and income there is no significant relationship. People in either income group were no more apt to attend a theater than people in the other income group.

TABLE XXI

TAPE RENTAL PER WEEK BY EDUCATION

	More than 3		2-3		1 or Less	
High School	25	.19	26	.01	17	.12
Some College	19	.11	22	.15	20	.7
College Degree+	24	.01	31	.21	18	.18

$X^2 = 1.68$

Overall there is no significant relationship between education and frequency of tape rental. There is also no significant relationship between education and frequency of theater attendance.

TABLE XXII

THEATER ATTENDANCE BY EDUCATION

	More 1 mo.	1 month	2-5 yr.	Every 2 mos.
High School	9 $\boxed{.61}$	6 $\boxed{35}$	36 $\boxed{.93}$	12 $\boxed{2}$
Some College	10 $\boxed{.15}$	13 $\boxed{.61}$	29 $\boxed{.02}$	7 $\boxed{.07}$
College Degree+	16 $\boxed{1.3}$	17 $\boxed{1.18}$	27 $\boxed{.68}$	5 $\boxed{1.28}$

$X^2 = 12.33$

An analysis of variance is what its name implies. A method of identifying, breaking down, and testing for statistical significance variances that come from different sources of variation. An F Table simply indicates if a relation exists.

TABLE XXIII

F TABLE

Source	df	Sum of Squares	Mean Square	F-Ratio	Probability
Between H & L Income and Marital Status	3	3.8	1.26	3.07	$p<05$
Between Age Under 26 and 26 and Over	1	1.74	1.74	4.24	$p<05$
Interaction Marital Status, Income & Age	3	.01	.003	.007	$p>05$
Within Group	186	75.85	.41		

A difference as large as that among the marital status and income groups would occur by chance less than 5 times in 100.

A difference as large as that observed between the under 26 and 26 and over age groups would occur by chance less than 5 times in 100.

Differences as small as those observed between the high and low age groups, with respect to status and income groups would occur by chance more than 5 times in 100.

CHAPTER V

DISCUSSION OF THE FINDINGS

This study sought to determine the relationship, if any, between the demographic variables of income, marital status and age on personal attitudes toward the use of VCRs and theater attendance.

The demographic of education was found to be not significant and is therefore not discussed any further in this study.

TABLE XXIV

MEAN SCORES OF THE ANALYSIS OF VARIANCE

	Single		Married	
	Under $25,000	Over $25,000	Under $25,000	Over $25,000
Under 26 years	3.25	2.93	3.46	3.58
Over 26 years	3.48	3.25	3.52	3.45

The group most favorable to use of the VCR was married persons under 26 with $25,000 or more income. The group least favorable to use of the VCR or more favorable to attending movie theaters is single persons under 26 with $25,000 or more income.

Young single people who earn $25,000 or more may be more favorable to theaters because of their lifestyles. Since the income question was worded, "combined family income" single people could actually have less expenses, and therefore more disposable income than married persons marking the same response on the survey questionnaire.

Overall, married people, regardless of age or income, are more favorable to viewing movies on a VCR. A possible reason for this could, once again, be the lifestyle -- married persons being more geared to the "family life."

On the preliminary questionnaire, one factor was mentioned more than any other concerning the major advantage of the VCR and the major disadvantage of a movie theater. This factor was cost.

This researcher decided to look specifically at the statement, "The cost of attending a movie theater influences me to wait until a VCR release" with regards to marital status.

TABLE XXV

MARITAL STATUS MEAN SCORES ON FREQUENCY OF THEATER ATTENDANCE

	Single	Married
More than 1 month	2.78	3.64
One per month	3.65	3.29
2-5 a year	3.94	4.00
Every two months	4.08	3.36

The mean score of respondents in each category is reported in Table II. The most favorable group to VCR viewing because of cost is single people who see only one movie every two months. (4.08) Married persons who see movies two to five times a year are next with a mean score of 4.00.

Single people who see more than one movie a month were not influenced by cost when attending a theater. (2.78)

When renting movies all groups were influenced by the cost factor. Table III indicates the mean scores for the marital status and frequency of tape rental for the same statement, "The cost of attending a movie theater influences me to wait until a VCR release."

TABLE XXVI

MARITAL STATUS MEAN SCORES ON FREQUENCY
OF TAPE RENTAL

	Single	Married
More than 3	3.76	3.95
2-3	3.58	3.68
1 or Less	3.44	3.63

Overall, all categories were favorable to VCR viewing because of the cost of attending a theater, with married people renting 3+ movies a week being the most favorable. (3.95)

The statistical analysis indicates married people, regardless of age or income, were more favorable to viewing movies on a VCR. Single people under 26 who have a combined family income of $25,000 or more are more favorable to theater movie viewing. (2.93)

Level of income, marital status and age bore independent influences on respondents' movie viewing preferences. These variables did not interact at any level of significance.

Summary and Conclusions

Married people rent more tapes than single people and single people go to theaters more than married people. People 26 and over rent more tapes than people under 26.

Most respondents indicate they watch TV more than 30 hours a week. The three most popular movie formats were Comedy, Adventure and Horror.

Tape rental stores could possibly look at current titles and see how percentages on their shelves match with their customers' favorite formats.

This sample procedure does not permit generalizing the results of this study to the population as a whole, even though this study (or a similar one) could be duplicated in other geographical locations.

In conclusion the use of the VCR has become an accepted way to view movies for everyone.

Recommendations for Further Research

The VCR is still a fairly new and developing technology. The popularity of VCRs is still growing and predictions indicate many more households will own one or more VCRs in the years to come.

This indicates the VCR impact could become even more significant in the future. Not only Hollywood, but cable TV as well, is (and certainly should be) very interested in the future development of the VCR.

A study such as the research represented here could be duplicated in other geographical locations. Different variables could also be substituted, depending on who is interested in the results -- a cable company, theater chain or other video stores.

The recent boom in video and video cassettes has brought a multitude of tape rental stores to all areas of the country. Information from a study of this type could make a difference in a tape rental store opening or even choosing a location, the type of programming they would stock on their shelves and how to best market their product.

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APPENDIX

THE QUESTIONNAIRE

This survey is to determine the preferences of you, the VCR viewer. It should only take a few minutes of your time, and it is greatly appreciated. Please mark the appropriate boxes.

1. Do you currently own a VCR or a video tape player? Yes ( ) No ( )
   If yes, how many? VHS ______ Beta ______ Disc ______
   Year purchased: ______ ______ ______

2. Do you rent a VCR player? Yes ( ) No ( )
   If yes, how often? Less than once a month ( ) once a month ( )
   twice a month ( ) more than twice a month ( )
   Which format? VHS ______ Beta ______

3. Have you ever purchased any professionally recorded movies?
   Yes ( ) No ( )

4. What is the primary use of your VCR?
   Watch rented movies ( ) Time-shifting TV Shows ( )
   Instructional aid tapes ( )

5. How often do you rent movies? More than 3 a week ( )
   2 to 3 a week ( ) 1 a week ( ) 2 a month ( ) 1 a month ( )
   less than 1 a month ( )

6. How often do you go to a movie theater? More than once a month ( )
   Once a month ( ) 2-5 times a year ( ) Once every 2 months ( )

7. Please mark your three (3) favorite movies formats: Comedy ( )
   Drama ( ) Western ( ) Horror ( ) Musical ( ) Adventure ( )
   Classic ( ) Mystery ( ) Sci-fi ( ) Children's ( )
   Adult ( ) Other (specify): ______________

8. Do you always ___ sometimes ___ never ___ view the movies in a theater before renting them?

9. How much TV do you watch during a normal week? (include VCR)
   Over 30 hours ( ) 20-29 hours ( ) 10-19 hours ( )
   Under 10 hours ( )

10. I subscribe to cable ( ) HBO ( ) Cinemax ( ) Showtime ( )
    The Movie Channel ( ) Playboy ( ) Disney ( ) None ( ).

11. Do you own a satellite dish? Yes ( ) No ( )

12. Do you have a collection of movie tapes? Yes ( ) No ( )
    If yes, how many? Over 20 ( ) 13-19 ( ) Less than 13 ( )

13. Age: Under 18 ( ) 19-25 ( ) 26-36 ( ) 37-55 ( ) Over 55 ( )

14. Sex: Male ( ) Female ( )

15. Marital status: Single ( ) Married ( ) Number of children ___

16. Education: Grammar School ( ) High School ( ) Some College ( )
    College Degree ( ) Graduate School ( )

17. Combined annual family income in dollars: Under 15,000 ( )
    15,000-24,900 ( ) 25,000-34,900 ( ) Over 35,000 ( )

Please mark the response that best expresses your feelings to the following statements:

18. It is important for me to see movies at a theater when they are first released.

    ______ strongly agree
    ______ agree
    ______ neutral
    ______ disagree
    ______ strongly disagree

19. When I go to a movie theater the behavior of people around me usually annoys me.

    ______ strongly agree
    ______ agree
    ______ neutral
    ______ disagree
    ______ strongly disagree

20. The cost of attending a movie theater influences me to wait until a VCR release.

    ______ strongly agree
    ______ agree
    ______ neutral
    ______ disagree
    ______ strongly disagree

21. I prefer the effects of a big screen over the quality of a VCR.

    ______ strongly agree
    ______ agree
    ______ neutral
    ______ disagree
    ______ strongly disagree

22. It is important for me to watch parts of a movie over.

    ______ strongly agree
    ______ agree
    ______ neutral
    ______ disagree
    ______ strongly disagree

23. Are you a member of Video Adventures? Yes ( ) No ( )

24. Any other movie club? If yes, please list: ____________________

25. How did you learn about this store? Radio ( ) TV ( ) Newspaper ( ) Friend ( ) Other ( )

26. Why did you choose this store? Location ( ) Hours ( ) Specials ( ) Selections ( ) Cost ( )

27. Where else do you rent movies? ______________________________

28. Would you use a delivery/pick-up service if offered? Yes ( ) No ( )

Thank you

VITA

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Master of Science

Thesis: A STUDY OF MOVIE VIEWING PREFERENCES: VCRs VS. THEATERS

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